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TO: **Income Maintenance Supervisors  
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Income Maintenance Staff  
W-2 Agencies  
Workforce Development Boards  
Job Center Leads and Managers  
Training Staff  
Child Care Coordinators**

FROM: Shawn Smith, Bureau Director  
Bureau of Enrollment Policy & Systems  
Division of Health Care Access and Accountability

**BEPS/DFS OPERATIONS MEMO**

No: 12-25

DATE: 4/27/12

FS	<input type="checkbox"/>	MA	<input type="checkbox"/>	BC+	<input checked="" type="checkbox"/>
SC	<input type="checkbox"/>	CTS	<input type="checkbox"/>	FSET	<input type="checkbox"/>
BC+ Basic	<input type="checkbox"/>	BC+ CORE	<input checked="" type="checkbox"/>		
CC	<input type="checkbox"/>	W-2	<input type="checkbox"/>	EA	<input type="checkbox"/>
CF	<input type="checkbox"/>	JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>
RAP	<input type="checkbox"/>	WIA	<input type="checkbox"/>	Other	<input type="checkbox"/>
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**SUBJECT: BadgerCare Plus Eligibility Policy Changes**

**CROSS REFERENCE:** BadgerCare Plus Handbook Chapters 7, 18, 19, 25, 27, and 43

**EFFECTIVE DATE:** JULY 1, 2012

**PURPOSE:**

The purpose of this memo is to announce several BadgerCare Plus policy changes for parents, caretaker relatives and children. This memo is also announcing policy changes for childless adults in the BadgerCare Plus Core plan.

A second operations memo will be issued that will include the CARES/CWW and EVHI system updates associated with each of the policy changes described in this memo.

**BACKGROUND:**

The 2011-13 Wisconsin State Budget, Act 32, required the Department of Health Services (DHS) to pursue eligibility changes to the Medicaid program. In order to comply with Wisconsin law and make the necessary eligibility changes, Wisconsin requested changes to our current BadgerCare Plus waivers for families and childless adults. The Centers for Medicare and Medicaid Services (CMS) approved the following changes to BadgerCare Plus policy:

- Premium Reforms: New premiums for non-pregnant, non-disabled adults in BadgerCare Plus for Families and the Core Plan with household income above 133% of the FPL;
- Restrictive Re-enrollment Reforms: A 12 month restrictive re-enrollment period for BadgerCare Plus non-pregnant, non-disabled adults with household income above 133% of the FPL who fail to pay a premium;
- Crowd-Out Policy Reforms: Restrict BadgerCare Plus eligibility for non-pregnant, non-disabled BadgerCare Plus parents and caretaker relatives with income above 133% of the FPL who have current or past access to employer sponsored health insurance where the required premium contribution does not exceed 9.5% of household income for the employee only plan;
- Retroactive Eligibility Reforms: Eliminate retroactive eligibility for BadgerCare Plus non-pregnant, non-disabled parents and caretaker relatives with household income between 133-150% of the FPL.

## POLICY CHANGES

### PREMIUMS

#### Current Policy

Currently adult parents and caretaker relatives eligible for BadgerCare Plus for Families are required to pay a monthly premium if the household income is at or above 150% of the FPL. The premiums are calculated on an individual basis, and the total is capped at 5% of family income. (For a list of individuals exempt from paying a premium please see BCP Handbook, 19.1) Core Plan members and members eligible through a BadgerCare Plus Extension are not required to pay premiums.

#### New Policy

Effective July 1, 2012, non-pregnant, non-disabled BadgerCare Plus adults with household countable income above 133% will be required to pay a premium. A single premium will apply to all premium paying adults in the household. The new premium policy will include adults eligible under:

- BadgerCare Plus for Families
- BadgerCare Plus Core Plan
- BadgerCare Plus Extensions

The premium changes will not impact children or self-employed parents or caretaker relatives who are eligible only after subtracting depreciation expenses. Premiums for these individuals will be calculated under the current policy.

The following adults will be exempt from premiums:

- Tribal members, children and grandchildren of tribal members and anyone eligible to receive Indian Health Services.
- Pregnant women;
- Parents, caretakers and childless adults who are blind or disabled, as determined by the Disability Determination Bureau (DDB) or through the presumptive disability process (MEH, 5.9);
- Youths Exiting Out of Home Care

Adult premiums will be calculated based on a sliding scale, ranging from 3% of countable household income for individuals above 133% of the FPL to 9.5% of household countable income for individuals at or above 300% of the FPL. Every adult's premium will be calculated based on their actual income and rounded to the nearest dollar. The chart below shows premium ranges based on family size and income.

Family Size of 1 Person		Family Size of 2 People	
Income Per Month	Monthly Premium Range	Income Per Month	Monthly Premium Range
\$0.00 - \$1,238.00	No Premium	\$0.00 - \$1,676.90	No Premium
\$1,238.01 - 1,396.24	\$37 - 49	\$1,676.91 - 1,891.24	\$50 - 66
\$1,396.25 - 1,582.41	\$56 - 71	\$1,891.25 - 2,143.41	\$76 - 96
\$1,582.42 - 1,861.66	\$78 - 108	\$2,143.42 - 2,521.66	\$105 - 146
\$1,861.67 - 2,327.07	\$117 - 179	\$2,521.67 - 3,152.07	\$159 - 243
\$2,327.08 - 2,792.49	\$188 - 257	\$3,152.08 - 3,782.49	\$255 - 348
\$2,792.50 +	\$265 and up	\$3,782.50 +	\$359 and up

  

Family Size of 3 People		Family Size of 4 People	
Income Per Month	Monthly Premium Range	Income Per Month	Monthly Premium Range
\$0.00 - \$2,115.80	No Premium	\$0.00 - \$2,554.70	No Premium
\$2,115.81 - 2,386.24	\$63 - 84	\$2,554.71 - 2,881.24	\$77 - 101
\$2,386.25 - 2,704.41	\$95 - 122	\$2,881.25 - 3,265.41	\$115 - 147
\$2,704.42 - 3,181.66	\$133 - 185	\$3,265.42 - 3,841.66	\$160 - 223
\$3,181.67 - 3,977.07	\$200 - 306	\$3,841.67 - 4,802.07	\$242 - 370
\$3,977.08 - 4,772.49	\$322 - 439	\$4,802.08 - 5,762.49	\$389 - 530
\$4,772.50 +	\$453 and up	\$5,762.50 +	\$547 and up

  

Family Size of 5 People		Family Size of 6 People	
Income Per Month	Monthly Premium Range	Income Per Month	Monthly Premium Range
\$0.00 - \$2,993.60	No Premium	\$0.00 - \$3,432.50	No Premium
\$2,993.61 - 3,376.24	\$90 - 118	\$3,432.51 - 3,871.24	\$103 - 135
\$3,376.25 - 3,826.41	\$135 - 172	\$3,871.25 - 4,387.41	\$155 - 197
\$3,826.42 - 4,501.66	\$187 - 261	\$4,387.42 - 5,161.66	\$215 - 299
\$4,501.67 - 5,627.07	\$284 - 433	\$5,161.67 - 6,452.07	\$325 - 497
\$5,627.08 - 6,752.49	\$456 - 621	\$6,452.08 - 7,742.49	\$523 - 712
\$6,752.50 +	\$641 and up	\$7,742.50 +	\$736 and up

### Income Reporting and Verification Requirements

In order to ensure that the correct premium is calculated, income reporting requirements for BadgerCare Plus households, including BadgerCare Plus Extensions and Core Plan members, will change. Beginning July 1, 2012, BadgerCare Plus members must report changes when their income increases above the thresholds identified below.

- 100% FPL (BC+ Families only)
- 133% FPL
- 150% FPL
- 185% FPL
- 200% FPL
- 250% FPL
- 300% FPL
- 350% FPL

- 400% FPL

Core Plan members will now be required to report and verify income changes during the 12 month certification period. Changes in income do not affect a Core Plan member's eligibility during the 12 month certification period but the change may increase or decrease the premium amount. Core members who fail to verify income changes during the 12 month certification period will have their eligibility terminated if requested verification is not submitted.

Adults in a BadgerCare Plus Extension who are required to pay a premium must also report and verify income changes during the extension certification period. Eligibility for adult members who would be required to pay premiums will be terminated for failure to submit requested verification.

#### Core Plan Application and Renewal Processing Fee

Core Plan members must continue to pay the \$60 non-refundable processing fee in order to have their renewal processed. If, after their income is verified, they are determined to have countable household income above 133% of the FPL and they are required to pay a premium, the processing fee will be applied to the first month's premium or the premium for the month after the renewal month. For these members who are above 133% of the FPL and who owe a premium, no additional premium will be owed for the month that the processing fee was applied. If the premium is less than \$60, a refund of the difference will be issued to the member. The \$60 processing fee will be applied to the premium only in cases where income is above 133% of the FPL at the time of application or renewal. If someone's income in subsequent months of eligibility increases above 133% of the FPL and they are required to start paying a premium, no adjustment will be made.

#### Children Under 19

The premium requirements and calculations for children under 19 have not changed with one exception. Children with income over 200% of the FPL who are not in an extension will not have to pay premiums if their parents are in an Extension and paying a premium.

#### RESTRICTIVE RE-ENROLLMENT

##### Current Policy

Currently BadgerCare Plus members who are required to pay a premium have a 6 month restrictive re-enrollment period if the premium is not paid.

##### New Policy

Effective July 1, 2012, BadgerCare Plus non-pregnant, non-disabled adults with countable household income above 133% of the FPL who fail to make a required premium payment will lose eligibility and be placed into a 12 month restrictive re-enrollment period (RRP).

Consistent with current policy, individuals who do not make the premium payment by adverse action of the month in which the premium is due will close at the end of the month the premium is due and be put in the RRP beginning the following month. If the premium is paid by the last day of the month following the premium due month, the RRP will be lifted and eligibility restored back to the first day of that month.

While in the restrictive re-enrollment period, the member(s) cannot re-enroll in BadgerCare Plus for 12 months from the termination date while their income remains above 133% of the FPL unless they meet a good cause exemption.

As it does today, the RRP will end when an adult member of the former BadgerCare Plus for Families group leaves the home during an RRP for one full calendar month. BadgerCare Plus eligibility may begin the first of the month after the month the adult left or the BadgerCare Plus group has paid any arrears, whichever is later. The RRP will not end for Core Plan members, should an adult member leave the home during an RRP. Core Plan members will, however, be able to re-enroll in the Core Plan after their 12 month RRP ends, or they have an income change that brings their income at or below 133% of the FPL.

The arrears collection policy currently in place for BadgerCare Plus for Families will be applied to the BadgerCare Plus Core Plan. When an individual reopens with a premium, any household premium that was due in the last 12 months should be collected.

RRPs will be tracked separately for BadgerCare Plus for Families and Core Plan. If an individual who is under an RRP due to no-payment of premiums for Core Plan becomes eligible for BadgerCare Plus for Families, the Core Plan RRP will not affect eligibility for BadgerCare Plus.

Failure to pay the adult-related premium will not affect coverage for individuals who do not have a premium, including children and disabled persons.

Children required to pay a premium will continue to have a six month RRP period if the premium is not paid.

### HEALTH INSURANCE ACCESS (CROWD OUT)

#### Current Policy

Currently, parents and caretaker relatives with family income above 150% of the FPL who have past or current access to or are covered by employer sponsored health insurance are not eligible for BadgerCare Plus if the access was through a current employer for which the employer paid, or would have paid, 80% of the premium.

#### New Policy

A new crowd-out test will be applied to BadgerCare Plus non-pregnant, non-disabled parents and caretaker relatives with household income above 133% of the FPL. It will not be applied to parents or caretaker relatives who are in an Extension.

BadgerCare Plus benefits will be terminated or denied for non-pregnant, non-disabled parents and caretaker relatives who:

- have current access to, or
- had past access (in the past 12 months) to, or
- are currently covered under

an employer-sponsored health insurance plan where the employee premium contribution for the employee-only plan does not exceed 9.5% of countable household income.

While the affordability test for all adults in the BadgerCare Plus group will be based on the employee's cost of the employee-only plan, the spouse of the employee would only be ineligible if the employer offers a plan that would provide coverage for the spouse.

Under the 9.5% crowd out policy, an individual would have current access to employer sponsored insurance if the individual could enroll in and be covered under the plan in the month for which eligibility is being determined. An individual would have past access to employer sponsored insurance if the individual could have enrolled in the plan under the current coverage period at any time in the past 12 months.

Example: Joe and Mary apply for BadgerCare Plus for themselves and their 3 children on July 2, 2012. Joe works for ABC Company. ABC Company offers an employee only plan as well as a family plan. Joe's cost for the employee only plan is less than 9.5% of the household's countable income. The last open enrollment period to sign up for the employer sponsored insurance was October 1, 2011 through October 31, 2011. The plan coverage period is January 1, 2012 through December 31, 2012.

Because Joe could not enroll in the plan in July or August (months of eligibility determination) the adults do not have current access to insurance. However, because Joe could have enrolled in the past 12 months and have had coverage under the current coverage period, the adults would fail for having access in the past twelve months.

The definition of 'current' and past 'access' for children under 19 has not changed. See BCP Handbook Chapter 7.

NOTE: For those non-pregnant, non-disabled parents and caretaker relatives with household income above 150% of the FPL, they will not be eligible for BadgerCare Plus benefits if they have current access, access in the next three months, or past access to a State Employee's health care plan, regardless of the amount of the premium.

The new policy for adults will be applied on or after July 1, 2012, but only when:

- A new application or program request is submitted;
- New employment is reported; or
- A renewal for health care is submitted.

Until one of the above circumstances occurs, the current crowd-out policies will apply to all non-pregnant parents and caretakers with incomes above 150% of the FPL who are not in an Extension.

The following individuals will be exempt from the new crowd-out policy:

- Parents and caretakers who are blind or disabled, as determined by the DDB, or through the Presumptive Disability process (MEH 5.9);
- BadgerCare Plus Extensions.

No changes will be made to the access and coverage policy for Core Plan childless adult members. An individual is ineligible for Core Plan if he/she has current or past access to employer sponsored health insurance or is currently covered by a health insurance plan or has been covered by a health insurance plan in the past 12 months.

### Children

Children's access to employer sponsored insurance will continue to be based on whether or not the employer pays at least 80% the premium or the access is to a State Employee's health care plan. However, effective July 1, 2012, the following groups of children will no longer be subject to the crowd out policy:

- Infants less than 1 year old with household income between 150 - 300% of the FPL will no longer be subject to the access and coverage requirements;

- Children ages 1 through 5 (up to age 6) with household income between 150 -185% of the FPL will no longer be subject to the access and coverage requirements.

### RETROACTIVE ELIGIBILITY

#### Current Policy

All members of a household with income less than 150% of the FPL can be eligible up to 3 months prior to the application month if income was less than 150% of the FPL in all of the backdated months and the household met all other financial and non-financial requirements.

#### New Policy

##### Parents and Caretakers

Beginning July 1, 2012, BadgerCare Plus non-pregnant, non-disabled parents and caretakers with countable household income above 133% of the FPL will no longer be eligible for three months of backdated eligibility. That is an applicant in the month of August will not be eligible for backdated eligibility for the month of July, 2012, if his/her income in July exceeded 133% of the FPL.

##### Children

Beginning July 1, 2012,

- Infants less than 1 year old with household income at or below 300% of the FPL may qualify for retroactive eligibility;
- Children ages 1 through 5 (up to age 6) with household income at or below 185% of the FPL may qualify for retroactive eligibility.

NOTE: Children ages 6 through 18 will remain eligible for three months of backdated eligibility, if their income is at or below 150% of the FPL.

### ONE-TIME INFORMATIONAL MAILING

On May 1<sup>st</sup> a one-time informational mailing will be sent to all BadgerCare Plus Families and Core Plan members with household income at or above 100% of the FPL, informing them of these policy changes. A copy of this notice is included as an attachment to this operations memo.

### **CARES:**

Updates will be made to CWW to accommodate the policy changes described in this memo. A separate Operations Memo will be issued to describe these changes. Details on the conversion of current cases will also be included in that memo.

### **CONTACTS:**

BEPS CARES Information & Problem Resolution Center

\*Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – FoodShare Employment and Training, BC+ Core – BadgerCare Plus Core, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC -

Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, Other EP – Other Employment Programs.

DHS/DHCAA/BEPS/ SF